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TAGS: [OPRC](#) [KMDR](#) [KPAO](#) [TW](#)
SUBJECT: MEDIA REACTION: U.S.-TAIWAN RELATIONS

¶1. Summary: Taiwan's major Chinese-language dailies gave significant coverage September 6 to a press conference hosted by President Chen Shui-bian in Palau Tuesday, in which he talked about former DPP Chairman Shih Ming-teh's campaign to oust him, the controversial special state affairs expense account, the SOGO Department Store gift certificates case, First Lady Wu Shu-chen's jewelry assets report, and his son-in-law's criminal case. Both the pro-status quo "China Times" and pro-unification "United Daily News" carried similar front-page banner headlines saying that President Chen has for the first time publicly acknowledged that other people's invoices and receipts were used to claim reimbursement from the Presidential Office's state affairs fund, and that the First Family had "indirectly" accepted SOGO gift certificates from a person involving in the controversial battle over the SOGO Department Store ownership. The pro-independence "Liberty Times," Taiwan's biggest daily, however, ran a banner headline on page three that read "Bian: Did Not Put State Affairs Fund into Personal Pockets."

The "China Times" and the "United Daily News" also each carried on their inside pages the results of their separate surveys about Shih Ming-teh's campaign to oust President Chen. The "China Times" poll showed that 43 percent of those polled support Shih's campaign, but only 8.3 percent believe it would succeed in bringing Chen down. The "United Daily News" survey reported that 44 percent of respondents said they support Shih's rally, while 76 percent believe Chen would not step down because of this campaign.

¶2. The Chinese-language papers editorialized on Taiwan's economic situation and the role of prosecutors and auditors in the controversial state affairs fund case. An editorial in the limited-circulation, pro-independence, English-language "Taipei Times" discussed KMT Chairman Ma Ying-jeou's leadership, saying that with the upcoming campaign to oust President Chen and the U.S. arms procurement bill to be reviewed in September, the next few weeks could prove to be a make-or-break period for Ma and his presidential aspirations. An editorial in the limited-circulation, conservative, pro-unification, English-language "China Post," on the other hand, discussed the possible benefits for American businesses if a free trade agreement is signed between the U.S. and Taiwan. End summary.

A) "Arms Bill Is Ma's Next Test"

The pro-independence, English-language "Taipei Times" [circulation: 30,000] editorialized (9/6):

"The next few weeks could prove to be a make or break period for Chinese Nationalist Party (KMT) Chairman Ma Ying-jeou and his presidential aspirations. With former Democratic Progressive Party chairman Shih Ming-teh's anti-Chen sit-in revealing decision-making

ineptitude caused by a conflict of interest and an overwhelming desire to please everyone, any more vacillating during the course of the protest could further expose the weakness of Ma's position. An even sterner test of his leadership lies just around the corner when the new legislative session begins on Sept. 19 - passage of the long delayed special arms procurement bill. ...

"Only a dramatic shift in posture by the KMT legislative caucus will secure the passage of the bill, and Ma, as party chairman, is the one charged with prompting this shift. ... Indeed, concerns about US relations and his aim of winning the presidency in 2008 are probably the rationales behind the 'reasonable arms purchase' doctrine that Ma has preached over the last year. To satisfy Taiwan's main ally and enhance his appeal to moderate voters that value close US ties, reject unification with China and would like Taiwan to maintain a defense capability, Ma needs to ensure the passage of the bill. ..."

B) "FTA: What's in It for America?"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (9/6):

"A free trade agreement (FTA) with the United States is a much desired policy aim in Taiwan. It would increase Taiwan's trade and bind the island more closely to the U.S., Taiwan's most important ally - even if formal links are lacking. But what is in it for Americans? This, after all, is what will carry weight with Washington. ... Indeed, the U.S. exports more to Taiwan than to Australia, Chile, and Singapore, all of which now enjoy FTAs. Despite increasing economic links between Taiwan and China, the U.S. remains the largest investor in Taiwan, while the latter is a sizable investor in America. ...

"Intellectual property is a headache in U.S. trade with Beijing. An FTA also would provide an opportunity to better protect intellectual property, a significant boon to U.S. firms. ... Unfortunately, opposition to free trade is rising in Washington, even among Republicans. However, the benefits of moving ahead with a U.S.-Taiwan FTA are too great to ignore. The issue is geopolitics as well as economics. Since 'the great game' with China already has begun, Washington needs to use all the tools at its disposal to enhance its regional influence. ..."

YOUNG